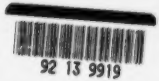
0 26249
0-35814



FORM 10-Q
SECURITIES AND EXCHANGE COMMISION
WASHINGTON, D.C. 205249

Qtr 2 Qtr 9/12

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1992

SEC'D S.E.C.
MAY 11 1992
137

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number 0-17032

Protein Databases, Inc.
(Exact name of registrant as specified in its charter)

Delaware	13-3186604
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
405 Oakwood Road, Huntington Station, NY	11746
(Address of principal executive offices)	(Zip Code)

9-9 C
L30 PROCESSED BY

(516) 673-3939
(Registrant's telephone number, including area code)

MAY 12 1992

Microfilmed by
Q-Data Corp. - St. Petersburg, FL

(Former name, former address and former fiscal if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes X . No _____.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at March 31, 1992
Common Stock $.0001 par value	94,134,018

PROTEIN DATABASES, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 1992 (Unaudited)	December 31, 1991 (Audited)
ASSETS		
CURRENT ASSETS:		
Cash	$ 109,661	$ 175,751
Accounts receivable	188,255	180,869
Other current assets	10,000	11,391
Total Current Assets	307,916	368,011
PROPERTY AND EQUIPMENT - NET	136,758	107,190
OTHER ASSETS:		
Deposits	13,000	13,000
TOTAL	$ 457,674	$ 488,201
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 194,509	$ 187,406
Notes payable to stockholder	-	60,000
Accrued expenses	41,602	39,851
Unearned revenue	795,869	486,862
Due to former PDE preferred stockholders of subsidiary	69,377	85,120
Total Current Liabilities	1,101,357	859,239
NOTES PAYABLE TO FORMER PDE PREFERRED STOCKHOLDERS	-	65,649
STOCKHOLDERS' EQUITY:		
Common stock	9,413	9,413
Additional paid-in capital	8,174,819	8,174,819
Accumulated deficit	(8,827,915)	(8,620,919)
Stockholders Equity	(643,683)	(436,687)
TOTAL	$ 457,674	$ 488,201

PROTEIN DATABASES, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three Months Ended March 31,	
	1992	1991
REVENUE:		
Software systems	$ 364,114	$ 184,942
Royalties and other	38,566	101,540
Total Revenue	402,680	286,482
COST OF SALES	177,224	149,197
GROSS PROFIT	225,456	137,285
EXPENSES:		
General and administrative	131,753	128,900
Marketing and sales	203,231	134,741
Research and development	94,072	113,565
Interest, net	3,396	9,671
Total Expenses	432,452	386,877
Net Loss	$ (206,996)	$ (249,592)
NET LOSS PER COMMON SHARE	$ (.002)	$ (.003)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	94,134,018	94,134,018

PROTEIN DATABASES, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Three Months Ended March 31,	
	1992	1991
CASH FLOW FROM OPERATIONS:		
Net Loss	$ (206,996)	$ (249,592)
Adjustments to reconcile net loss to net cash used in operations:		
Depreciation and amortization	15,000	15,000
Changes in operating assets liabilities:		
Accounts receivable	(7,386)	149,922
Other current assets	1,391	14,188
Other assets		15,230
Accounts payable and accrued expenses	8,854	(47,227)
Unearned revenue	309,007	(2,285)
Net cash used in operations	119,870	(104,764)
CASH FLOWS FROM INVESTMENTS IN AND (DISPOSITIONS) OF PROPERTY AND EQUIPMENT - NET	44,568	(24,153)
CASH FLOWS FROM FINANCING:		
Proceeds from stockholder loans	(60,000)	120,000
Decrease in notes payable to former PDE preferred stockholders	(81,392)	(25,132)
Cash provided by financing	(141,392)	94,868
DECREASE IN CASH	(66,090)	(34,049)
CASH, BEGINNING OF PERIOD	175,751	119,747
CASH, END OF PERIOD	$ 109,661	$ 85,698

Interest payments totalled approximately $9,855 and $17,811 for the three months ended March 31, 1992 and 1991, respectively.

(Unaudited)

PROTEIN DATABASES, INC., AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 1992

NOTE 1 - GENERAL:

The accompanying unaudited financial statements include all adjustments which are, in the opinion of management, necessary for a fair statement of the results of the interim periods. The statements have been prepared in accordance with the requirements for quarterly reports on Form 10-Q and, therefore, do not include all disclosures or financial details required by generally accepted accounting principles. These condensed financial statements should be read in conjunction with the financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 1991.

The results of operations for the interim periods are not necessarily indicative of results to be expected for a full year's operations.

PROTEIN DATABASES, INC. AND SUBSIDIARY
Management's Discussion and Analysis of Financial Condition and Results of Operations

Liquidity and Capital Resources

From the commencement of the Company's operations in December, 1983 through December 31, 1989, the Company funded the working capital deficit resulting from its start-up operations from the proceeds of private sales of $6,015,000 of equity securities to venture capital investors, revenues from operations and from the $2,301,000 net proceeds of the Company's initial public offering of common stock in July, 1988.

In November, 1991 the Company amended its Distribution Agreement with the exclusive distributor of the Company's products in the Far East pursuant to which such distributor agreed to purchase $1,000,000 of the Company's software products between November, 1991 and April, 1992. During November, 1991 and January, 1992 such distributor purchased $708,000 of the Company's products, which amount is included in "unearned revenue" on the Company's balance sheet at March 31, 1992. Management of the Company believes that the funds it expects to receive from these product sales, together with anticipated cash flow from operations, should be sufficient to enable the Company to meet its current obligations at March 31, 1992 and to provide working capital in 1992.

The Independent Auditors' Reports on the Company's consolidated financial statements for the years ended December 31, 1990 and 1991 contain an explanatory paragraph, indicating that the Company's recurring losses from operations among other factors, raise substantial doubt about the Company's ability to continue as a going concern.

The Company has no material commitments for capital equipment additions at March 31, 1992.

Results of Operations

The Company generates revenues primarily by selling Software Systems. Software Systems revenues include revenues from the sale of the Company's proprietary software, Original Equipment Manufacturers (OEM) equipment, software maintenance, rental of software and training and installation. The Company obtains its principal O.E.M. equipment pursuant to supply agreements with two corporations. If the Company were to be unable to continue to obtain the equipment provided on reasonable terms from its current suppliers, or from alternate sources, the Company could be materially and adversely affected.

PROTEIN DATABASES, INC. AND SUBSIDIARY
Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

The Company's total revenues increased during the first quarter of 1992 from the first quarter of 1991 principally due to an increase in the number of software systems sold and the average sale price of such systems in 1992.

Software Systems revenues include revenues from the sale of OEM equipment that cost $117,358 in 1992 and $103,443 in 1991. Royalties and other revenues in the first quarter of 1992 include $27,693 of royalty fees received from Millipore Corporation as compared with $75,000 in the first quarter of 1991.

The Company's marketing expenses increased in the three months ended March 31, 1992 from the comparable period in the prior year principally due to higher advertising and promotional expenses and an increase in the number of people in the department.

The decrease in the Company's research and development expenses in the three months ended March 31, 1992 from the comparable period in the prior year was primarily attributable to charges related to the development of a potentially new component for the Company's Software System in the three months ended March 31, 1991. The Company's principal research and development costs for its current products have been incurred in prior years, but the Company needs continually to maintain and improve its products, as well as to, develop new products, and anticipates spending approximately 20% of its net revenues on research and development efforts in 1992.

Interest expense decreased in the first quarter of 1992 as compared to the first quarter of 1991 due to the decrease of interest expense associated with loans from stockholders, which loans were repaid in November, 1991 and January, 1992 and the lower amount of Notes Payable to Former PDE Preferred Stockholders.

Inflation is not believed to be a material factor in the Company's business.

Part II - Other Information

Item 6. Exhibits and Reports on Form 8-K

(b) Reports on Form 8-K: There were no reports on Form 8-K filed by the Company for the three months ended March 31, 1992:

Signatures

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Protein Databases, Inc.
(Registrant)

Dated May 8, 1992

Stephen H. Bloše
Director, President and
Chief Executive Officer

Dated May 8, 1992

Alan P. Chodosh
Vice President of Finance
(Principal Financial and
Accounting Office)